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OVERSIGHT ON ST. ELIZABETHS HOSPITAL

HEARING

BEFORE THE

SUBCOMMITTEE ON
GOVERNMENTAL EFFICIENCY
AND THE DISTRICT OF COLUMBIA

OF THE

COMMITTEE ON
GOVERNMENTAL AFFAIRS
UNITED STATES SENATE

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OVERSIGHT ON ST. ELIZABETHS HOSPITAL

WEDNESDAY, DECEMBER 7, 1983

U.S. SENATE,
SUBCOMMITTEE ON GOVERNMENTAL EFFICIENCY
AND THE DISTRICT OF COLUMBIA,
COMMITTEE ON GOVERNMENTAL AFFAIRS,
Washington, DC.

The subcommittee met, pursuant to notice, at 2:30 p.m., in room SD-342, Dirksen Senate Office Building, Senator Charles McC. Mathias, Jr., chairman of the subcommittee, presiding.

Present: Senators Mathias and Eagleton.

Staff present: Sandi Muschette, chief clerk.

OPENING STATEMENT OF SENATOR MATHIAS

Senator MATHIAS. This afternoon, the Subcommittee on Governmental Efficiency and the District of Columbia meets to review the current status and future plans for St. Elizabeths Hospital.

The hospital was founded more than 130 years ago as the "Government Hospital for the Insane," and it has had a long history of providing innovative and compassionate care and treatment for the mentally ill and many others.

One reason for calling this hearing is, of course, concern over budget cutbacks that have forced substantial reductions in the number of personnel at the institution. Further future reductions of personnel are likely, and, inevitably, the capacity of the hospital to treat its patients will be affected.

Today, I hope we can examine this trend to determine whether continued movement in this direction is wise; whether it is in the best interest of all of the people of the District of Columbia, and whether, in the end, it is in the best interest of the United States nationally to eliminate this psychiatric hospital which, after all, was a creation of the Federal Government.

At present, St. Elizabeths Hospital is a unique facility. The Overholser Division of Training and Research has programs to train psychiatric residents, psychology interns, social work students, psychodramatics, pastoral counselors, dance and movement therapists, occupational therapists, and psychiatric nurses and paraprofessionals.

The William Alanson Whyte Division of the National Institute of Mental Health conducts research into the psychological, social and biological causes of mental illness.

The hospital maintains the only long-term program for the inpatient treatment of alcohol and drug abuse in the Metropolitan area. The John Howard Division performs diagnostic and therapeutic

services for the criminally insane. Adolescents and children are treated in separate programs at the hospital. St. Elizabeth's mental health program for the deaf is the only U.S. facility to provide comprehensive care in sign language for the mentally ill deaf. St. Elizabeths Hospital is the last resort and the final home of many severely ill people who cannot survive outside an institution.

The future of this unique institution is a matter of concern in mental health circles, which has been expressed to Senator Eagleton, and to me, by people who are involved in Federal Government, in city government, in public affairs and in private affairs. A variety of proposals have heen under discussion.

It is the understanding of the subcommittee that the recent personnel reductions are a part of a 10-year budget plan developed by the administration to transfer financial control of the hospital to the District of Columbia. But as far as we are now aware, there is no long-range plan mapped out for the hospital in connection with the budget contraction and the transfer scheme.

As a result, the hospital's future administrative structure and the nature and level of treatment it will provide in the future are unknown. And hanging in the balance are the needy patients who depend on the institution and the dedicated staff that have made it a unique health care facility.

Up to this point, Congress has not made a comprehensive examination of all the factors which should go into the decisionmaking process.

The GAO and the District are currently conducting separate studies which will try to provide some answers. Ultimately, decisions about St. Elizabeths future must be made in the light of such studies, and not solely on budgetary considerations.

A merger of the patients and programs at St. Elizabeths with the District of Columbia's mental health system cannot be undertaken in a vacuum. I think there has to be a complete picture, and that is what we will focus on this afternoon, and what we will ask witnesses to try to consider.

Let me introduce the first panel of witnesses. Before I do that I will ask Senator Eagleton if he would like to make any opening statement.

Senator EAGLETON. No, I have no opening statement, Mr. Chairman, thank you.

Senator MATHIAS. Our first panel will be Robert Trachtenberg, the acting administrator of the Alcohol, Drug Abuse, and Mental Health Administration of the Department of Health and Human Services; Dr. Larry Silver, the Deputy Director of the National Institute of Mental Health; Mr. John D. Mahoney, the Budget Branch Chief of the Division of Financial Management of the Public Health Service; and Dr. William Dobbs, Superintendent of St. Elizabeths Hospital.

Gentlemen, do you have an order of preference for testifying?

TESTIMONY OF ROBERT L. TRACHTENBERG, ACTING ADMINISTRATOR, ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES, ACCOMPANIED BY DR. LARRY SILVER, M.D., DEPUTY DIRECTOR, NATIONAL INSTITUTE OF MENTAL HEALTH; JOHN D. MAHONEY, BUDGET BRANCH CHIEF, DIVISION OF FINANCIAL MANAGEMENT, PUBLIC HEALTH SERVICE; AND DR. WILLIAM DOBBS, M.D., SUPERINTENDENT, ST. ELIZABETHS HOSPITAL

Mr. TRACHTENBERG. Yes, sir, Mr. Chairman, and Senator Eagleton. I am Bob Trachtenberg, the Acting Administrator for the Alcohol, Drug Abuse, and Mental Health Administration.

Senator EAGLETON. Pull that microphone in as close as you can. I am a little hard of hearing, and I am also fighting a cold.

Senator MATHIAS. When Senator Mansfield was the Majority Leader, there used to be a little sign on these microphones "Keep Mike Close," which had a dual meaning in those days.

Mr. TRACHTENBERG. As I was mentioning, ADAMHA is an agency within the Public Health Service of the Department of Health and Human Services. I would like to make a very brief statement. First, to express our appreciation for the opportunity to report on the progress that we are making to improve activities at St. Elizabeths Hospital.

On my left is Dr. Larry Silver. He is a nationally renowned psychiatrist, and is the Deputy Director of the National Institute of Mental Health. NIMH is the Institute within ADAMHA that has governance responsibility for the operations at the hospital.

Also at the table, and as you mentioned, to my right is Mr. John Mahoney, who is Chief of the Budget Branch for the Public Health Service, and to Dr. Silver's left is Dr. Dobbs, who is our Superintendent of St. Elizabeths.

Before Dr. Silver testifies, I wish to impress upon this committee the importance we place on assuring a viable future for the hospital. All of our efforts to streamline the hospital's operations, and to release patients who are inappropriately and unnecessarily institutionalized, and to help the city government take control of the hospital, have been designed to protect the quality and continuity of care provided patients now and in the future.

Over many years of dealing with issues facing the hospital, we have become convinced that leaving St. Elizabeths as it is will simply not do. The Federal Government cannot afford to maintain, from either a policy or an economic point of view, a local mental health institution that is artificially and jurisdictionally severed from companion services provided by the city.

Senator EAGLETON. Does that same apply to National Airport?

Mr. TRACHTENBERG. I am not qualified to talk about——

Senator EAGLETON. I know a hospital is not an airport. But there are unique relationships in the District, because it is a Federal city, it is the Federal capital, and there are unique origins, antecedent origins in this city. St. Elizabeths is one of those unique antecedent origins that may, for reasons of proper administration, be left in a situation or may be put in a situation that is not, say, typical of Maryland or Missouri.

Mr. TRACHTENBERG. The difference, if I might suggest, Senator, is that there are federally supported national airports all over this country.

Senator EAGLETON. They are not federally operated. The only ones federally operated are National and Dulles.

Mr. TRACHTENBERG. They do receive considerable Federal support, and I believe some of them do have Federal employees through the FAA operating it.

Senator EAGLETON. I am not going to belabor it. You are just dead wrong.

Mr. TRACHTENBERG. This is the only major mental institution that is——

Senator EAGLETON. Every major airport, of course, has a tower, and has FAA people in the tower, but the Federal Government does not run the damned airport in St. Louis, or Baltimore, or Kansas City.

Mr. TRACHTENBERG [continuing]. That is run by the Federal Government.

Senator EAGLETON. And I just named the only Federal aiports.

Senator MATHIAS. I think the Chair would have to rule on behalf of the Senator from Missouri at this stage. Dulles and National are the only two in the world that are actually operated by FAA.

Mr. TRACHTENBERG. I understand the distinction.

If I may go on, in our view, continued Federal control of St. Elizabeths profoundly short-changes the citizens of this city who deserve the benefits of a comprehensive, locally controlled mental health system.

So, Mr. Chairman, and Senator Eagleton, we have begun in recent months the difficult and sometimes unpleasant task of streamlining St. Elizabeths and defining, or beginning to define, what its appropriate role should be within the District's overall mental health delivery system.

Dr. Silver now will review our actions to date, and answer your questions. If you need my assistance as well, Mr. Chairman, I, too, am ready to respond to your concerns.

Dr. SILVER. Mr. Chairman, Senator Eagleton, with your permission I would like to submit my formal testimony and just briefly summarize it at this time.

Senator MATHIAS. Without objection, the full statement will be included in the record.

Dr. SILVER. Thank you. We have been concerned about St. Elizabeths Hospital under previous Congresses, previous administrations, and the District of Columbia, first, because there are many in-patients who remained in the hospital longer than they need, from a clinical point of view, because of a current lack of consolidated and collaborative community programs.

Also, as mentioned earlier, this is a federally funded program whereas 90 percent of the people being taken care of are from the District of Columbia, and the DC contribution has averaged about 22 percent of the cost prior to this year.

There have been many attempts to resolve this problem. The administration has tried to develop a corporation model. The District of Columbia has reviewed this corporation model and currently seeking consultation on the plan. There are many approaches that

are still in process, and we are still communicating in an effort to resolve the differences.

Senator MATHIAS. Let me be sure I understand what you mean. Would this be a kind of contracting out?

Dr. SILVER. I am sorry?

Senator MATHIAS. Would this be a kind of contracting out when you talk about the corporate model?

Dr. SILVER. No, sir, may I clarify? The District of Columbia reviewed the corporation concept. They appeared to be uncomfortable with some parts of it, and consulted with an individual to come in and review it and offer another opinion. I understand that this report is now in but the District has not yet reported back to us.

The previous summer precipitated some of our planning. The President's 1984 budget request reflected a 10-year plan which began in fiscal year 1983 to slowly decrease the Federal role and to transition this role to the District who would increasingly pick up responsibility.

The fiscal year 1984 budget then reflected this concept, and requested $143.5 million. $54.5 million was to be reimbursement from the District. Initially the House and Senate capped the DC payment at $29.5 million, and later increased it to $35.1 million.

Thus, we were faced this summer with a $25 million deficit in our operating budget. We attempted to find plans to absorb this deficit, and developed a model for absorbing about $14 million of it by reducing nonessential expenditures, streamlining organizational structure, reducing the medical-surgical contract that we had, increasing reimbursement from medicare-medicaid, plus the reduction in force.

The District of Columbia was able to come up with $11 million by assuring nursing home placements for 150 DC residents beyond that which would normally be placed, plus placement of another 50 DC residents into a community residential program. They also agreed to accept responsibility for the 89 patients in their alcohol and drug abuse program, which was part of the community mental health center run by the hospital for the District of Columbia.

Congress then responded with an additional $5.7 million; we reached the $25 million figure. The reduction in force was held on December 1 for two reasons. One is we wanted to give Congress maximal opportunities to react and advise us on our budget, and that took through September 30. There was then a minimal period of time necessary to advise individuals of their rights and go through the process of the reduction in force.

We did receive permission from OPM for early retirement and we were pleased that approximately 130 people chose to do this, thus decreasing the number of people affected by the RIF.

In summary, I think the Federal Government and the DC government shares a concern that we need to do something with St. Elizabeths Hospital. We have not yet come up with a good plan, but both sides are working. We hope that together we can develop an acceptable plan. It may be in the future that at some point Congress can assist by bringing the two groups together to talk about it.

I would like to answer any questions that you have at this time.

Senator MATHIAS. Perhaps we should hear from any other members of the panel who have statements.

Mr. TRACHTENBERG. This concludes our formal statements, Mr. Chairman.

Senator MATHIAS. Sometime ago, Secretary Schweiker made what I think was a commitment—I think in his mind it was a commitment—for the smooth transition of mental health facilities in the District, and I am wondering if HHS still stands by that commitment.

Dr. SILVER. Very much so.

Senator MATHIAS. Would you agree that it was a commitment on behalf of the Department?

Dr. SILVER. Yes, sir, and it still is a commitment that we will work with the District to make a smooth transition.

Senator MATHIAS. Can you give us, with a little more particularity, how you see the movement going with respect to the transfer of patients and facilities and ancillary programs?

Dr. SILVER. I think there are two major functions that have to take place. First is the need to develop a continuum of care, which goes from the in-patient needs to the community based programs. Hopefully this would be a continuum of care managed by the same leadership—whether it be the District or the Federal Government, or a blending of the two such as the corporation model.

The second task would be a model for reimbursing or funding this plan. I think the DC government and the Federal Government are still dialoguing to try and come up with something that is acceptable to both.

Senator MATHIAS. That leads to my next question, which is, how does OMB feel about this?

Dr. SILVER. Last year the administration began a 10-year plan for making this transition. The plan calls for the District to increasingly pick up responsibility as the Federal Government decreases responsibility. This plan is currently accepted by the administration.

The dialog between the Department and the DC government is founded on how to implement this.

Senator MATHIAS. Where would you judge the plan has moved so far? If you have got a 10-year road to go——

Dr. SILVER. Fiscal year 1984 was the second year of the administration's 10-year plan. The history of trying to resolve this——

Senator MATHIAS. You are not necessarily going to have an equal rate of progress in each year.

Dr. SILVER. I do not know what our fiscal year 1985 budget or budget plan is yet, but we have a long history of trying to work out a solution with the DC government, which began with the corporation model.

Senator MATHIAS. Senator Eagleton.

Senator EAGLETON. Dr. Silver, you are at NIH?

Dr. SILVER. No, sir. I am at the National Institute of Mental Health.

Senator EAGLETON. As part of the NIH?

Dr. SILVER. No, sir, we are part of the Alcohol, Drug Abuse, and Mental Health Administration.

Senator EAGLETON. Do you do any work at NIH from time to time?

Dr. SILVER. Our intramural research center is on the grounds of the National Institute of Health, but we are a separate agency.

Senator EAGLETON. And NIH operates some hospital facilities, do they not?

Dr. SILVER. I don't know, sir. I am not part of the National Institutes of Health.

Senator EAGLETON. You are a doctor?

Dr. SILVER. Well, we have the clinical center, which is where we do our research——

Senator EAGLETON. You don't know of your own common sense, awareness, knowledge, that the National Institutes of Health operates and directly operates hospital facilities out at the NIH campus?

Dr. SILVER. Well, I know we have the clinical——

Senator EAGLETON. Where they admit patients?

Dr. SILVER. Yes, sir. That is the clinical center.

Senator EAGLETON. Where they spend the night, and where they may be there for weeks to be tested and what have you?

Dr. SILVER. That is correct. The clinical center.

Senator EAGLETON. And the Federal Government used to operate in toto St. Elizabeths, did it not?

Dr. SILVER. It still does, sir.

Senator EAGLETON. And we are now in year-2 of a 10-year phasedown, culminating in what in year-0?

Dr. SILVER. The hope by year-0 would be that the District of Columbia government would have major responsibility for running the hospital, and that the Federal Government would pay for its share of its use.

Senator EAGLETON. What would be the Federal share, as you view it?

Dr. SILVER. At the moment it would represent 10 percent, since 10 percent of the patient population is non-District of Columbia residents.

Senator EAGLETON. At one time, drawing on history, was not St. Elizabeths viewed as the premier mental institution, mental treatment facilities in America?

Dr. SILVER. I think it not only was, but it still is, sir.

Senator EAGLETON. Do you think it still is No. 1?

Dr. SILVER. I think it still has an excellent reputation.

Senator EAGLETON. Well, let's assume it currently has an excellent reputation. There was a time when it was a premier institution, wasn't it?

Dr. SILVER. That is correct.

Senator EAGLETON. As late as when?

Dr. SILVER. This country began its mental health services with the State hospital model. It developed its leadership and perhaps maintained it until we moved more and more into community based programs which was the fifties and sixties.

Senator EAGLETON. And is not a lot of the medical and psychiatric literature—not all of it, indeed, and I don't know what percentage of it—but isn't a significant amount of the psychiatric literature derived from research, treatments, et cetera, that were either originated or were widely used for the first time at St. Elizabeths?

Dr. SILVER. I think most of the literature of the 1930's to late 1950's started from programs that were either begun there or demonstrated there.

Senator EAGLETON. Right. So it was a pretty darned good functioning entity, contributing widely to the enhancement of psychiatric medicine around the country because it was such a fine institution, at least through the thirties and maybe even into the fifties?

Dr. SILVER. That is correct, sir.

Senator EAGLETON. And by your own testimony today, it still is an excellent institution?

Dr. SILVER. Yes, sir.

Senator EAGLETON. Well, if it was superb, outstanding, and the leader of its time for so many years, and even today is excellent, why are we destroying it?

Dr. SILVER. I don't think we are destroying it, sir. We are talking about who takes financial responsibility for operating it. It could be an excellent hospital run by the District, run by the Federal Government, or run jointly.

Senator EAGLETON. See, it all boils down to money. It all boils down to two plus two equals four. It all boils down to get it out of the Federal budget, at whatever price, thrust it upon the District of Columbia, at whatever consequence, and if you destroy the institution in the process, so what, it is going to look better with the budget.

Dr. SILVER. I can't agree with you, sir. I don't see the District running an incompetent facility.

Senator EAGLETON. Well, it is very competently run now.

Dr. SILVER. Yes, sir.

Senator EAGLETON. Why tamper with something that is very competently run, that is one of the leading institutions in the country?

Dr. SILVER. The administration feels that a facility which predominantly serves one jurisdiction, the District of Columbia, should not be funded by the taxpayers of the country.

Senator EAGLETON. But what it can do there in research, just as what is done out at NIH in terms of research—and I know a woman from Missouri who was at NIH for weeks, a Lupus victim—and what is learned at NIH is for the benefit of not only all of America but all of mankind, isn't it?

Dr. SILVER. Senator Eagleton, may I clarify that we have the William Alison Whyte facility at St. Elizabeths Hospital, which is where we do our research, and that is paid for by the National Institute of Mental Health. We pay for the staff, we pay for the research time. This research is done as a part of the National Institute of Mental Health using volunteer patients. That would continue whether the District ran it or not.

Senator EAGLETON. That would continue, but that is a part of St. Elizabeths—St. Elizabeths, Inc. Do you ever watch that TV show "St. Elsewhere"? St. Elisha's Hospital. It is a good TV show. It is so good that it is going to go off the air.

In that show, that is an integrated medical institution, research is done there, et cetera, just as research is done at St. Elizabeths. If St. Elizabeths atrophies as an overall institution, the little component branch that you operate out there will be surrounded by a

cancer. You can't survive, your unit can't survive as a part of a cancerous whole. Your little component part can't flourish if the rest of the institution is withering and dying on the vine.

And for the life of me I don't understand, if it has the reputation that you say, and I don't dispute what you say, what is the compelling urgency to destroy it?

I know the answer—and you have to be cautious with your answers, and for the administration—it is David Stockman, Inc. But the same net dollars are going to be spent, presumably, except that it won't show up in the Federal budget; it will show up in the DC budget.

The Federal deficit of $200 billion will shrink to—whatever, $199 billion or $198 billion, or whatever.

And the DC budget will increase, if the District is in a financial position to make a comparable investment into the operation and maintenance of that institution, which I seriously doubt.

Senator MATHIAS. The only flaw in the Senator's thinking, it seems to me, is this. The Federal budget may not shrink. They will come into this committee and look for an authorization to increase the Federal payment.

So we will have moved it from one pocket to the other, but we won't really have changed the ultimate Federal impact.

Senator EAGLETON. Precisely.

Dr. SILVER. With all respect, Senator, there is more than money involved here. I think we have come a long way in the mental health field toward removing patients from restrictive environments to least-restrictive environments. There are many patients at St. Elizabeths Hospital, whether it were run by the District, by Congress, or by the Department of Health and Human Services, who should not be in the hospital. The advantage of moving the District more into a role of leadership is that it would allow us to develop a continuum of care so that patients who do not need inpatient care could begin to move out into the community where they belong.

So, yes, the hospital will shrink in size, but not to make it incompetent but to make it a more clinically effective facility.

Senator EAGLETON. I don't quarrel with that shrinkage. Modern psychiatric medicine has, as part of its current techniques, and thank God it does, the intent to get erstwhile patients back into a home type environment or a community type environment, and it is medically proper to so do.

We are a long way, thank God, from Olivia deHavilland and "The Snake Pit" and no one is encouraging us to go back to that. So maybe the patient load at the institution will decline under proper medical jurisdiction and control that is all proper and certain.

But I am as convinced as this happens to be a bright and clear day here in Washington that as the 10-year clock ticks, and as the Federal share—which I take it from the testimony is 78 percent Federal, 22 percent local—goes down to 90 percent local and 10 percent Federal, quality of care at St. Elizabeths will suffer, quality of research at St. Elizabeths will suffer, and the institution at the end of that 10-year cycle instead of being a nationally recognized institution in this country will be listed among the doldrum institutions

around the country. That is what I think is afoot in this process, all in the name of budgetary gamesmanship.

Dr. SILVER. I have too much confidence in the District's commitment to provide good care to their population than to believe that, sir.

Senator EAGLETON. Other than the clinic at St. Elizabeths, other than that, will there be any other clinic or something for the Federal Government at St. E's for mental health in general?

Dr. SILVER. The Federal Government will continue to fund special programs that are needed, such as perhaps the program for the deaf, parts of the Hispanic programs, some Federal forensic programs that are necessary for the Federal courts, and there will also be various Federal citizens from Territories or other areas who need hospitalization.

Senator EAGLETON. You are going to pay for the patients from the Virgin Islands?

Dr. SILVER. Yes, sir, so that even if we ever reach a point where the District of Columbia were operating the hospital totally, we would be paying for services to continue certain programs.

Senator EAGLETON. But at the end of 10 years the Federal role is going to be, compared to the District role, minuscule?

Dr. SILVER. From a financial point of view, I can't answer since I only have to use for a budget——

Senator EAGLETON. Well, you said 10 percent.

Dr. SILVER. I can say from a professional point of view that the National Institute of Mental Health has made a commitment to work with the District in any role that would be useful, and would like to continue doing that.

Senator MATHIAS. I have just one or two more questions. In the light of the Dixon court order, and the record that has been developed by the professional committee that monitors that court order, do you believe that the District has the ability to provide an adequate mental health system for the community?

Dr. SILVER. I don't know that I can answer that, sir, but maybe you can ask the people from the District when they testify next. We plan to work with them and to help develop this program. They have made a commitment to accept 200 patients plus the 89 in the drug and alcohol program over the next 3 to 6 months.

Senator MATHIAS. Are you familiar with the record of the monitoring committee?

Dr. SILVER. Yes, sir.

Senator MATHIAS. Does that lead you to any conclusions at all?

Dr. SILVER. I think at the moment the District of Columbia has the capacity to accept the patients they have agreed to take over the next few months, and they are trying to develop a further plan. I can't speak beyond that.

Senator MATHIAS. Well, that is a rather limited future outlook.

Dr. SILVER. As I understand it, the administration came up with a model which was called the corporation. The District of Columbia government reviewed it and felt for many reasons they could not accept it. They have sought consultation on their own to get other points of view, and we have begun a dialog again—we being the administration and the District of Columbia—to come up with a better model or a better plan, and that process has just begun.

Senator MATHIAS. Does that dialog include legislation that would provide for the transfer of programs and facilities?

Dr. SILVER. Not yet, sir. Right now we are talking about what continuum of care would be most clinically effective as well as cost effective. For example, how many in-patient beds do you really need if you had a continuum of care——

Senator MATHIAS. But you haven't gotten yet to discussion of a price list?

Dr. SILVER. No, sir. I think at this point the District and members of the National Institute of Mental Health and ADAMHA have some work to do before we can begin to make any proposals.

Senator MATHIAS. What are the funding levels being projected at this time by the Department for fiscal year 1985 for St. Elizabeths?

Dr. SILVER. I don't know, sir. The OMB has not passed that information back to the Department yet.

Senator EAGLETON. What was it for fiscal year 1984? We have got a budget guy here.

Dr. SILVER. Yes, sir. In 1984, the Federal Government's portion was $126.8 million, and the District of Columbia was $35.1 million, or 28 percent.

Mr. Mahoney, could you clarify?

Mr. MAHONEY. The Federal subsidy, Senator, is $67.7 million; the District of Columbia's and reimbursement is $35.1 million; there are a variety of other reimbursements, from medicaid and other Federal agencies. This results in a total budget of $126.8 million for the hospital.

Senator EAGLETON. All right, $126 million total fed in a big package, and $35 million local.

Mr. MAHONEY. No, sir. The total operations of the hospital are $126.8 million.

Dr. SILVER. $35.1 million coming from the District.

Mr. MAHONEY. That's right.

Senator MATHIAS. Can you tell us what you requested for fiscal 1985?

Mr. MAHONEY. No, Senator, I don't think we can do that. We have told you the basic outlines with which that budget was put together, that we would be asking for an increasing share of the cost of the hospital being paid by the District in accordance with the 10-year plan.

But we are not allowed to discuss the specific dollar amounts at this time.

Senator MATHIAS. You say you can tell us the share?

Mr. MAHONEY. I can only say that the District's share would increase, consistent with the plan, over a 10-year period.

Senator MATHIAS. The District's share would be something more than double from last year?

Mr. MAHONEY. I don't think it would double, but it would certainly increase.

Senator EAGLETON. Could you give us a chart, sir, starting with, say, fiscal year 1978, give us the dollar breakdown in total Federal dollars and total District dollars? And then, if you want to save us using a little Ouija board, put a percentage in parens, and do 1978, 1979, 1980 through 1984, which are known and identifiable figures.

When will you be at liberty to divulge this national security secret about fiscal year 1985?

Mr. MAHONEY. With your permission, Senator, what I would like to do is provide that chart but even go back a little farther, say back into the mid-1960's.

[Charts submitted follow:]

Saint Elizabeths Hospital
Allocation of Cost for Treatment of District of Columbia Inpatients

1963 - 1984

Fiscal Year	Cost of Reimbursable D.C. Resident Inpatients (Thous.) D.C. Reimbursmnts.	Federal Subsidy	Other Sources A/	Total Cost	% of D.C. Payments to Total
1963	$16,558	--	--	$16,558	100.0
1964	18,167	$ 3,710	--	21,877	83.0
1965	17,786	5,513	--	23,299	76.3
1966	18,540	5,809	--	24,349	76.1
1967	20,749	5,174	--	25,923	80.0
1967	24,344	4,881	--	29,225	83.3
1969	25,224	5,821	--	31,045	81.2
1970	24,072	6,878	--	30,950	77.8
1971	20,532	14,453	--	34,985	58.7
1972	21,818	19,599	--	41,417	52.7
1973	20,086	27,343	--	47,429	42.3
1974	21,587	25,897	--	47,484	45.5
1975	20,919	34,462	--	55,381	37.8
1976	19,362	39,784	--	59,146	32.7
1977	17,863	48,308	--	66,171	27.0
1978	15,798	56,530	--	72,328	21.8
1979	20,919	57,448	--	78,367	26.7
1980	18,692	61,312	--	80,004	23.4
1981	21,349	69,876	--	91,225	23.4
1982	22,949	54,347	--	75,296	30.5
1983	24,749	60,792	14,100	99,641	24.8
1984 B/	35,149	40,288	12,875	88,312	39.8

A/ Medicaid
B/ Enacted budget

SAINT ELIZABETHS HOSPITAL

Patient Load History

Fiscal Year	Average Daily Patient Load: District of Columbia Inpatients	District of Columbia Outpatients	District of Columbia Total	Other Inpatients	Total Pt. Load
1963	5405	1050	6455	1424	7879
1964	5225	1260	6485	1187	7672
1965	5003	1437	6440	1145	7585
1966	4866	1640	6506	1063	7569
1967	4697	1766	6463	963	7426
1968	4630	1786	6416	808	7224
1969	4423	1948	6371	688	7059
1970	3724	2176	5900	606	6506
1971	3081	2487	5568	466	6034
1972	2754	2715	5469	448	5917
1973	2566	2922	5488	428	5916
1974	2469	2826	5295	411	5706
1975	2343	2702	5045	391	5436
1976	2155	2897	5052	351	5403
1977	2001	3354	5355	324	5679
1978	1879	3400	5279	321	5600
1979	1888	3407	5295	294	5589
1980	1792	3280	5072	305	5377
1981	1706	3247	4953	278	5231
1982	1431	2977	4408	250	4658
1983	1395	2795	4190	243	4433
1984 A/	1365	1800	3165	237	3402
1984 B/	1149	2300	3449	225	3674

A/ President's FY 1984 budget request to Congress. Based on patient load projections and assumptions as of November 1982.

B/ Basis for enacted FY 1984 budget.

Senator EAGLETON. OK, fine, go back as far as you want. I would like to see the mix of Federal dollars and District dollars as a percentage. Now when can we have the 1985 figures?

Mr. MAHONEY. Well, I think the President's budget will probably be finalized within the administration in late January or possibly even early February.

Senator EAGLETON. Well, whenever you are at liberty to divulge those figures, will you send those to us as well?

Mr. MAHONEY. Yes, sir.

Senator MATHIAS. Can you tell us now what program level decreases and patient load drops does the fiscal year 1985 budget contemplate?

Mr. MAHONEY. I am not able to do that until the final negotiations are completed on the fiscal year 1985 budget. But I would be glad to do that when the Budget has been finalized.

Senator MATHIAS. I think we would like to have that information.

Dr. Dobbs, then, just briefly, do you think the accreditation of the hospital has been adversely affected by the reduction in force?

Dr. DOBBS. Well, at the present level of reduction, assuming the District assumes the responsibilities they have promised, we will have a reasonable chance of accreditation later in the coming year. Obviously a RIF process is a temporarily disabling and difficult process. But assuming that the number of patients to be picked up by the District of Columbia under their plan are picked up, the present level of staffing would give us a reasonable chance at accreditation.

Senator MATHIAS. But suppose the Commission on Accreditation would visit you today?

Dr. DOBBS. Well, I think you would have to say in the immediate aftermath of a RIF it would be very difficult to say that we would pass such an accreditation.

Senator MATHIAS. I think I understand what you are saying. The RIF, as we understand it here, was aimed at non-patient-care personnel, but obviously it must have some effect on the professional staff.

Has there been an effect, for example, on nurses?

Dr. DOBBS. Yes; we have lost a few nurses but by early retirement and by resignations.

Senator MATHIAS. And you feel that that is related to the RIF's?

Dr. DOBBS. It appears to be RIF-related, yes.

Senator MATHIAS. What about the other side of that coin, recruitment?

Senator EAGLETON. Why can't Dr. Dobbs answer?

Dr. DOBBS. Well, right now we are recruiting and have recruited some of the separated staff on a temporary basis, clinical staff. We have managed to match up about 100 staff in that group to bring back aboard.

We would like to have more, but they are not available to match up. There is a problem of recruitment for certain groups that will be difficult for a time, admittedly, following the RIF. Nurses will be probably difficult to recruit.

Senator MATHIAS. I think again I understand you, Doctor. Thank you very much. Thank you, gentlemen.

Senator EAGLETON. I wish to say, Mr. Chairman, that I, too, understand Dr. Dobbs' testimony. I also understand why Dr. Silver tried to grab the microphone to prevent Dr. Dobbs from answering your questions.

Dr. SILVER. I was moving it closer to his face so he could speak to you. I was not removing it from him.

[Dr. Silver's prepared statement follows:]

PREPARED STATEMENT OF LARRY B. SILVER, M.D.,
DEPUTY DIRECTOR, NATIONAL INSTITUTE OF MENTAL HEALTH

Mr. Chairman and Members of the Committee:

I appreciate this opportunity to appear today to present information on Saint Elizabeths Hospital (SEH) and to describe the changes which are occurring there.

Over the years a number of persistent questions have been raised about the size and efficiency of the Hospital. More recently there have also been concerns over the number of inpatients who have been retained at the facility beyond the point where such clinical care was necessary because less restrictive environments have not been available. Saint Elizabeths is unique, as it is the only mental hospital in the country with a predominately local patient population that is wholly controlled and largely funded by the Federal Government. For the past twenty years, Federal funds have subsidized an increasing portion of the cost of treating District of Columbia residents. In FY 1983 the District Government contributed 22% towards the cost of operating the hospital, although approximately 90% of the hospital's patients are District residents. Moreover, there has been a growing awareness that the hospital's programs were wider in scope than necessary for a community hospital which is a component of a comprehensive community mental health system.

Many members of Congress, several Administrations and the District of Columbia government have been grappling with these same questions over the years. In light of this situation, the Alcohol, Drug Abuse, and Mental Health Administration (ADAMHA) and its National Institute of Mental Health (NIMH) began a top level review of Saint Elizabeths Hospital in order to determine how to make its operations more efficient, reduce its patient load, and prepare the hospital for the phase down in the Federal subsidy as the District of Columbia assumes an increasing share of the cost of operating the hospital or transferring more patients to other facilities and programs. This study was intended to help implement the phase down over a ten year period of a direct Federal subsidy for Saint Elizabeths Hospital so that the District of Columbia could plan for an orderly assumption of the costs of treating its citizens. Given the many choices the District will be making with regard to patient care and the availability of services and facilities, HHS will continue to advise the District Government on an expeditious basis on per diem rates for D.C. residents at Saint Elizabeths Hospital. Of course, the District may have better, less expensive patient care choices for its residents. FY 1984 is the second year of the phase down. As part of this process, we invited officials from the D.C. Government to participate as full partners in the effort.

The pace, but not our resolve to reform the management and mission of the hospital was accelerated by budget events that took place over the summer. Reflecting its policy of a gradual phase down of a direct Federal subsidy for District residents at Saint Elizabeths Hospital, the President's FY 1984 budget request for the hospital included total obligations of $143.5 million with $54.5 million as reimbursement from the District of Columbia for care to its own residents. During the initial congressional deliberations, the House and Senate appropriations committees capped the District of Columbia payment at $29.5 million. Although the final District payment in FY 1984 was increased to $35.1 millon, this preliminary situation created a budget shortfall of $25 million.

Faced with a potential $25 million reduction in the hospital's operating budget, the Department stepped up its review of Saint Elizabeths and developed plans for dealing with this contingency. The overriding priorities then and now are to preserve quality care at the Hospital and to maintain its accreditation status.

In late August, the ADAMHA assembled a team of key clinical and administrative staff from the hospital as well as outside consultants to identify how changes could be made in staffing

and support services within the likely level of available resources without affecting the quality of care provided patients. The plan developed by this group has formed the basis of actions that were taken to accelerate management improvements and reduce the hospital's operating budget. The plan achieved savings of $14 million by reducing non-essential expenditures and by streamlining the organizational structure at the hospital. As a result of improving the hospital's structure, the size of Saint Elizabeths' staff was reduced on December 1. In addition, we also reduced the contractual cost of providing medical and surgical care by seeking increased reimbursements from Medicare/Medicaid. Our plan was based on the assumption that the patient load at the hospital will remain relatively stable. More important, the advice of the clinicians who were consulted produced a plan that will continue quality care and accreditation.

In order to make up what was then an $11 million difference in the shortfall, the District of Columbia, after informal discussion with ADAMHA officials, agreed to assure nursing home placement for 150 District residents who are Saint Elizabeths patients in addition to those who would normally be outplaced, and to outplace 50 additional District residents to community residential facilities. In addition, the District

agreed to take financial responsibility for the treatment of the 89 District residents being treated for alcoholism or drug abuse by the Area D Community Mental Health Center division of the hospital. These commitments, made by Mayor Barry in a letter to House Appropriations D.C. Subcommittee Chairman Congressman Julian Dixon, will allow the hospital to save an additional $5.3 million in FY 1984. The reduction in patient load permitted us to abolish 146 positions since these employees would no longer be needed to provide clinical care once those District residents are receiving care from other sources.

Based on the Mayor's assurance, the Congress provided an additional $5.7 million in Federal funds to the District for payment to the hospital. The combination of these actions narrowed the budget reduction to the $14 million savings which we had projected.

December 1 was selected as the effective date of the Reduction in Force (RIF) in order to permit the Congress to complete its action on the hospital's FY 1984 budget request and still permit necessary savings to be made. That date also gave the Department almost two months to arrange for several activities designed to assist those who will be separated involuntarily from Federal service. Every effort is being made to place persons in jobs elsewhere in the Federal Government and in

the private sector. The District government will assist in these efforts. Authority to permit early retirement was obtained from OPM. A total of 131 employees elected retirement which substantially reduced the number of people affected by the RIF.

I wish to emphasize that throughout this process the welfare of the patients and the staff at Saint Elizabeths have been foremost in our minds. I expect quality care to continue at the hospital through this difficult transition period and after. Continuing accreditation by the JCAH will remain a top priority. We have developed a computerized system based on national standards and patient needs to assure that adequate numbers of the right types of clinical staff will continue to be available at the hospital. The necessary levels of support staff are also being maintained. None of the special programs--for the deaf, for children and adolescents, and for Hispanic patients is being eliminated. Responsibility for alcoholism and drug abuse treatment is being properly transferred from a mental hospital setting to the District's system of community based programs.

Not only are necessary staff being retained but the renovation program underway at the hospital to provide the needed safety and therapeutic improvements for patients is being continued.

In addition to the activities described above we continue to pursue our long term goals for SEH. Primary among these are the full integration of the hospital into the District's mental health delivery system and the assumption of fiscal responsibility by the District of Columbia for the cost of care of its patients at SEH. Hospital and NIMH staff have been directly involved in these efforts. The District has been kept informed of our efforts and has been working to determine its own needs for comprehensive mental health services for its residents and the role the hospital will play in providing those services. As noted earlier, the District may have better, less expensive alternative patient care choices for its residents.

We have also provided extensive background information to both the General Accounting Office, which is working on a report on the hospital, and to consultants working for the District of Columbia.

We look forward to reviewing these various proposals and to working with the District and the Congress in attaining our mutual goal of having St. Elizabeths as a psychiatric care facility which does not duplicate services that are otherwise available. I will be glad to answer any questions you may have at this time.

Senator MATHIAS. Our second panel today will be Mrs. Gladys Mack, Director of the Office of Policy and Evaluations for the District of Columbia, and Dr. Ernest Hardaway II, the Commissioner of Public Health of the District of Columbia.

TESTIMONY OF GLADYS MACK, DIRECTOR, OFFICE OF POLICY AND EVALUATIONS, GOVERNMENT OF THE DISTRICT OF COLUMBIA, ACCOMPANIED BY VIRGINIA FLEMING, DEPUTY DIRECTOR OF THE OFFICE OF POLICY, AND ERNEST HARDAWAY II, D.D.S., COMMISSIONER OF PUBLIC HEALTH

Mrs. MACK. Thank you, Mr. Chairman. I have with me Mrs. Virginia Fleming, who is the Deputy Director of the Office of Policy.

Before I go into my testimony, I just want to reflect a moment on the testimony that was just provided and to use the updated numbers of the contribution by the Federal Government and the District to correct the statistics that you have been provided.

The $67 million that is provided by the Federal Government represents about 65 percent of the appropriated cost to the hospital, and the $35 million that is provided by the District represents about 35 percent. So the numbers are much closer together than they have been represented here.

There is an additional $24 million that comes from Federal funding, such as medicaid and medicare, that would be available to any hospital. So over the years the District has been contributing a significantly increasing amount of funding to the hospital.

I have prepared testimony, Senator Mathias, which gives you a pretty detailed report of the status of the commitment that the District made at the time the budget was being reviewed for fiscal year 1984. We report to you that on the commitment to remove 289 patients, persons from the hospital, that we have been working closely with the hospital and with the Federal Government and we have made some progress.

We believe that we will be able to meet the mid-year date that we have committed, and this process has not gone without difficulty because we are sort of entering into discussions and agreements that we have not had before. But we do think it is going fairly smoothly, and we will be prepared to answer any questions you might have on that.

I think I would like to spend just a few minutes talking about the status of the District's planning with respect to the hospital, and more specifically, a comprehensive mental health system for the District.

As was indicated earlier, and as you noted, we did engage a consultant to prepare a report for us. We have received that report, and we have staff now studying the report for the purpose of making a recommendation to the Mayor on the action that we think would be appropriate for the development of a comprehensive health system.

We have said all along that the District believes, and the Federal Government agrees with this, that the kind of splintered system that we have now does not serve the patients in the best way that they could be served, and we all agree that there should be a comprehensive system.

Beyond that point, though, we have had a lot of concern about how one carries out that kind of agreement, and I would say to you that the plan that has been proposed by OMB, that is in its third year—not its second year—of implementation, simply provides for the withdrawal of funds by the Federal Government from the hospital.

It does not provide any plan for the patients, it doesn't provide any plans for the employees, no plans for the facilities, or any of the very complex activity involved in that hospital. So we have constantly expressed our concern about the fact that there is no coordinated plan, even though there is a plan that would withdraw the financial support from the hospital.

Our objective would be to put forward a plan that we think would serve the District's need, and would also serve the need that everybody desires, and that is to have a comprehensive mental health system.

The plan that we are developing would make recommendations on the population that we think an in-patient hospital should have. It will make some recommendations about the facilities, and it will also make some recommendations about Federal participation either on a permanent basis or some other basis. We believe very strongly that this hospital has been under Federal control for more than 100 years, where decisions about the size of the population, about the size of the facilities, about the size of the employment base, all of the important decisions about the hospital have been made by the Federal Government, and it is clear that if the District of Columbia had had this service all along we would not see the type of facility that we have today.

For that reason we believe that there is some need for a specific Federal participation if indeed the hospital or the services of the hospital are to become under District control.

I point out that the Mayor has stated that he is prepared to entertain such control by the District, but there are prerequisites that must be met, and we have been working with the Federal Government on what those prerequisites are and the plan that we would present would provide what we think are viable options for moving forward.

Thank you.

Senator MATHIAS. In his testimony Dr. Silver referred to the phase-down over a 10-year period of a direct Federal subsidy for St. Elizabeths Hospital. He used the word "subsidy," which is an interesting word to me because isn't this at the moment a Federal facility?

Mrs. MACK. That is quite true, Senator. This facility is owned by the Federal Government.

Senator MATHIAS. Do we consider what money we send across the river to the Pentagon a subsidy? Or is that just a direct Federal expenditure of funds for Federal purposes?

Mrs. MACK. Your observation is quite correct. We have also stated that we believe that the control of the hospital, and the ownership of the hospital, cannot change until we have provided for legislation making such authorization, and that legislation yet has not come forward.

Now, we do intend when we provide our recommendations to provide enabling legislation that would go along with that.

Senator MATHIAS. Dr. Silver says further in his testimony, "As part of this process, we invited officials from the D.C. Government to participate as full partners in the effort."

How does that square with your testimony that there has been no comprehensive plan today?

Mrs. MACK. We have worked very closely with the Federal officials. There has been, or some legislation has been developed that would provide for a public corporation. As Dr. Silver pointed out, we do not support that legislation. It has not been submitted to Congress. It is in draft form now. We believe that legislation does not address two very basic issues that are important to the District, and that is the one I mentioned about the Federal financial participation, and it also does not address a transition of services from the Federal Government to the local government.

So there are some ideas. We have been working together but we have not really agreed on the approach that is satisfactory to everyone.

Senator MATHIAS. In questioning Dr. Silver I raised the issue of the Dixon Monitoring Committee which reported to the court about a year ago that the mental health system in the District was in disarray and recommended that the court appoint a special Master to oversee the program.

That didn't happen, and I suppose the reason it didn't happen was because of the commitments made by the District for improvement in the system.

Did the system improve?

Mrs. MACK. I will let Dr. Hardaway speak to that, who is responsible for the system, but I would point out, Senator, that there is a more recent report that suggests that we do not need a Master.

Dr. HARDAWAY. Mr. Chairman, I think the record will support that we have entered into some very, I think, very pleasant relations with the Mental Health Law Project in terms of our efforts to improve the mental health services in the District of Columbia. There were some gaps in our system that I think properly could be attributed to followup and documentation.

We have moved to close those gaps. We have moved to be somewhat more concerned about the patients as opposed to the numbers. I have maintained a continuing relationship with the Law Project in terms of where we are going and what we are doing.

I have a conversation every week with Dr. Leonard Stein from the Mental Health Law Project in terms of our plans, in terms of our progress, and I find that to have worked extremely well. They are satisfied with the progress that we have made.

That has been, and I should emphasize, on the side of patient care.

Senator MATHIAS. We were unsuccessful in eliciting much budget information out of the previous witnesses. But let's assume a few hypothetical facts. Let us suppose as this phase-down continues in year-3, that there is a decrease in Federal funding. Let's say roughly $45 million, and a consequent increase in expectations that the District will pick up $45 million.

What would that mean in your ability to handle patient load and programs? Can you absorb that much in a single year?

Mrs. MACK. Certainly the answer is no. We could not absorb that much in a single year. As I understand the phase-down plan, and, of course, I have not seen the recommendations for 1985, the $67 million which is now being contributed by the Federal Government is the amount of funding that would be reduced over the next 7 years of this 10-year plan.

That would mean that the District would be expected to contribute to the support of the hospital ⅐ of the $67 million, plus any inflationary growth that would be represented in the hospital's budget. So we would be talking about I would say roughly $20 million or so.

Even that is only half of the 45 you mentioned, there is no way that the District could assume a single year increase of $20 million within its funding.

The point about funding that is very important is that we have severe limitations, tax limitations and other limitations that simply prevent us from assuming very large costs in a single year, and it just would not be possible for us to assimilate that into our base budget.

Senator MATHIAS. Well, I hope your figures are closer to reality than mine.

Mrs. MACK. I hope so, too, Senator.

Senator MATHIAS. Senator Eagleton.

Senator EAGLETON. I am a little befuddled by the figures. I would like to clarify that first.

The testimony of the budget officer on behalf of the Federal Government was $126 million. Of that $126 million, $35 million was District of Columbia money, ergo, $91 million was Federal.

Now that is what I heard from the Federal budget officer. You said that ain't so.

Mrs. MACK. Well, it is true that $91 million is Federal, but $67 million of that $91 million represents direct appropriations, and $24 million of that represents medicaid, medicare payments, and payments from Federal agencies that would be made in any mental hospital in any State.

Senator EAGLETON. That is a very important clarification to have for the record.

Now here is the impression that I received from Dr. Silver about this 10-year plan, that there was in fact a 10-year plan, that it was an all-encompassing kind of plan, that it had been enthusiastically and ebulliently agreed to by all interested parties, specifically the Federal Government and the District of Columbia. If I have erroneously gathered that impression, so be it.

No. 1, there is no all-encompassing 10-year plan; it is just a 10-year plan to put less Federal money into the institution year by year. Is that about how you view it, Mrs. Mack?

Mrs. MACK. The 10-year plan does simply withdraw the total Federal funding over a 10-year period, that is correct.

Senator EAGLETON. So instead of there being a transfusion, there is a tourniquet, and over the 10-year period they tighten the tourniquet just a little bit more.

Mrs. MACK. Piece by piece the funding decreases.

Senator EAGLETON. That is the 10-year plan. Did the District agree to this plan?

Mrs. MACK. This plan was first advanced, well, 3 years ago, by the OMB. The District did not agree to that plan and we indicated at the time that we believed that this issue was much too complex to be viewed simply from a financial point of view, that we had to look at the patients' welfare programs, and so forth.

So we have not agreed, and we are on record with that disagreement.

Senator EAGLETON. So it is a 10-year plan with a gun to your head?

Mrs. MACK. Well, it withdrew the funds, and we objected to this, yes.

Senator EAGLETON. Now, a purely hypothetical question. Suppose St. Elizabeths disappeared, and the District, with a population of 640,000 people, said we need a mental health facility. The District is both a city and for many purposes a State, and just as Baltimore has a mental health facility there—I don't know how much is funded by the city, I guess substantially if not totally funded by the State of Maryland, and just as St. Louis has two mental health facilities totally funded by the State of Missouri, just as Kansas City has one totally funded by the State of Missouri.

But let's assume there was no St. Elizabeths, not a brick there, and you were planning a mental health facility for the District, for 640,000 people. And there wasn't any concern about any Federal research, any Federal clinics, any Federal involvement at all.

It would be a much different institution that you would design solely and singularly for the limited purpose of 640,000 people, is that not true?

Mrs. MACK. Without question, Senator, that is true.

Senator EAGLETON. But that is not what is out there at St. Elizabeths, is it?

Mrs. MACK. Right.

Senator EAGLETON. It is a unique institution. Just as the NIH is a unique institution, and that in addition to its rendering the customary and traditional care to city residents, a whole host of Federal-type things are done out there as well.

Yet at the end of 10 years, they want you to pay 90 percent of it and they will pay 10 percent of it, under the so-called "plan." Isn't that about the ballgame?

Mrs. MACK. Basically that is what the assumption of the 10-year plan is.

Senator EAGLETON. You heard the testimony that St. Elizabeths was at one time the premier, unrivaled institution in the country, through the thirties and even into the fifties and sixties. It had an excellent reputation, and Dr. Silver says even today it has an excellent reputation, having regained its accreditation back in 1980.

Do you think that that excellent reputation will endure 7 years from now—we are in year 3, as you point out, of the so-called plan—when we get down to the 10th year and it is 90 percent to be paid for by the District of Columbia and 10 percent to be paid for by the Federal Government? Will its excellent national reputation survive?

Mrs. MACK. Senator Eagleton, we hope that the plan that we will put forward will replace this 10-year financial phase-out plan, and that——

Senator EAGLETON. No, my question is if Stockman gets his way, and can unload $X million from his budget—that is all Stockman cares about, there is no other motivation that he has with respect to patient care, with respect to mental health research. His whole motivation is to excise $X millions from the budget.

Now, if he succeeds and you can't rebuff him, assume that, will the institution have its excellent national reputation 7 years from now?

Dr. HARDAWAY. Without having some Divine wisdom about the future, I would say that the reputation, Senator Eagleton, has much of its premise in, as you earlier indicated, many of the unique activities that have gone on at St. Elizabeths.

It has some very rich history of some rather specialized care, some rather specialized activities, to benefit the mentally ill, the mentally handicapped.

Senator EAGLETON. If it is totally your baby, or 90 percent your baby, wouldn't you have to spin-off or eliminate or somehow unload some of those very unique services? Strike the word "very."

Dr. HARDAWAY. Those services would be lost both to the country and in some sense the District of Columbia.

Senator EAGLETON. Thank you, Mrs. Mack. Thank you all for appearing today. That concludes today's testimony.

[Mrs. Mack's prepared statement follows:]

Statement by

Gladys W. Mack

Director, Office of Policy and Program Evaluation
Executive Office of the Mayor
District of Columbia

Before the Subcommittee on Governmental Efficiency in the District of Columbia

Committee on Government Affairs
United States Senate

December 7, 1983

Good Afternoon. My name is Gladys Mack, and I am Director of Mayor Barry's Office of Policy and Program Evaluation. I am pleased to be here today to provide a status report on the progress of the outplacement of 289 persons from Saint Elizabeths Hospital by mid 1984. The 289 persons include 150 placements from the Hospital into District nursing homes; 50 placements into community residential facilities or independent living; and the transfer of the alcohol drug services at the Area D Outpatient Center, now serving 89 persons.

In order to assist the Hospital in closing its budget gap for 1984, the District made a commitment to accelerate planned outplacement of those persons who are covered under Dixon vs. Schweiker litigation. This action, which increases District expenditures for community mental health services, reduces both the census and the budget gap at the hospital.

The outplacement of nursing homes and community residence patients was planned in our 1984 budget. The assumption of responsibility for the drug and alcohol service, however, was not planned and we must redirect resources to accomplish this action.

Nursing Home Placements

After some years of effort to overcome a severe shortage of nursing home beds in the District, we can at last see the light this year.

The opening of J.B. Johnson Nursing Home and the Washington Center for Aging Services, two new public nursing homes, in 1980 and 1981; and the opening of more than 500 new beds in private nursing homes between October 1983 and February 1984, provide enough capacity for all regular care and skilled care patients. It permits elimination of our waiting list for such patients, and ensures beds for the acceptance of all eligible patients from Saint Elizabeths. It was this expectation that allowed us to propose outplacement of 150 such persons.

Transfer of patients from hospitals to nursing homes requires careful planning. The shortage of homes in previous years had made preparation of patients for placement unnecessary. In order to assure timely action this year, District and Federal officials have established a working group which would assure that we meet the target for outplacement.

First, patient assessments and other records are being brought up to date by SEH staff. When referrals are ready, they are forwarded to the District office which authorizes the placement of Medicaid funded individuals in a particular home. Different nursing homes have different capacities for treatment, and patients have a right to visit and review their placement, so the actual matching of a patient with a home may require several weeks. We have set monthly goals for both referrals from the Hospital, and actual placements, and are carefully monitoring progress and impediments.

At the end of the first quarter of FY 1984 we will evaluate our progress. What we are finding suggests that we may have to adjust our plans.

We believed, based on 1982 -1983 reporting documents, that there were 150 persons eligible for outplacement to regular and skilled nursing care settings. However, many of the referrals we are receiving from the Hospital require more specialized care because of particular behavioral problems. By late November we had referrals of less than 25 persons from the Hospital who are suitable for regular or skilled care in nursing homes, and placement of less than 15. We expect to have a significantly greater total number of referrals in December. However, we anticipate that the number of persons who require more specialized care in nursing homes will continue to represent a very high percentage of referrals.

If it develops that there are not 150 regular and skilled care patients now in the Hospital, we will have to revise our plans. One alternative will be to develop the capacity of nursing homes to take patients requiring more care. It may cost several millions of dollars more to accommodate this level of care. Another alternative will be to increase the number of community placements from the hospital, and decrease the number of nursing home placements, maintaining a total of 200. Either alternative would enable the Hospital to reduce its census in accord with its plans.

We intend to assess the situation at the end of December, in consultation with Hospital officials.

Community Placements

We have also created a task force of District and Hospital officials to undertake a similar planning effort for the 50 community placements.

There are in the District over 300 licensed community residential facilities, which at the moment have many vacancies. We are currently matching the appropriateness of the homes, and the qualifications of the operators, with some 150 patients in the Hospital whose assessments are being updated from a reported pool of more than 300 persons who are potential candidates for this placement.

There is a wide variety of needs among patients -- some may need assistance with taking medication, some may require a facility that accommodates wheel chairs, and so on. In the past the Hospital has handled placements of such placements into CRFs. This year, however, our working group has been creating, with District involvement, a more active process for grouping such patients and organizing the provision of services specifically tailored to groups with similar characteristics.

We will assess this process by the end of December. If at that point we determine that this intensive matching effort will not achieve the goal, we will have to contract for the additional needed services. This will also require funding beyond what has been allocated for the purpose.

Alcohol and Drug Abuse Services

During October and November, the District's Alcohol and Drug Abuse staff has been reviewing the characteristics of the program and patients now at Area D Center. We have determined that the District can provide a comparable quality

of care, to a comparable service area, by contracting services which will include a detoxification capacity, an inpatient treatment capacity, and an outpatient aftercare capacity. We anticipate that we will be able to meet the mid-year target date. Planning is being coordinated with all affected groups.

Each of these three actions has involved a separate and careful planning process during recent weeks. We are committed to meeting the goals which we have set. This assessment of patients and service information has had considerable joint staff involvement. It has been very beneficial in our overall planning process for District responsibilities for mental health care services for its residents.

We expect to conclude the first phase of that planning process by the end of this year. We look forward to sharing our proposals with you very shortly.

I will be pleased to answer any questions you may have.

Senator EAGLETON. The committee will stand in recess.

[Whereupon, the committee recessed at 3:40 p.m., subject to reconvene at the call of the Chair.]

ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD

The Testimony of

GREATER WASHINGTON ORGANIZATIONS
FOR GOVERNMENT FUNDING OF SOCIAL SERVICES

on the

RECENT REDUCTIONS-IN-FORCE

at

ST. ELIZABETHS HOSPITAL

Prepared for inclusion in the Record of the

HEARINGS

of

THE SUBCOMMITTEE ON GOVERNMENTAL EFFICIENCY
AND THE DISTRICT OF COLUMBIA

of the

COMMITTEE ON GOVERNMENTAL AFFAIRS

of the

UNITED STATES SENATE

Held

Wednesday, December 7, 1983

This is the testimony of Greater Washington Organizations for Government Funding of Social Services—GWOGFOSS. GWOGFOSS is a coalition of organizations in the Washington Metropolitan Area (see attached list) united in the belief that it is the responsibility of Government to provide for the needs of the people.

We are deeply concerned about the recent Reductions-in-Force (RIF's) at St. Elizabeths Hospital that were necessitated by Federal funding cutbacks. We are disturbed by these RIF's for a number of reasons. First, it is the opinion of our coalition that St. Elizabeths should remain a Federal institution. We have done extensive research on the history of the hospital, and the many previous attempts to transfer responsibility for the facility from the Federal Government to the District of Columbia. We are thus wary of any reduction in Federal commitment to the hospital, as being a possible first step towards full transfer of responsibility onto the District's over-loaded financial shoulders.

Second, in addition to the "Dixon Plan", which has resulted in a not-always positive process of deinstitutionalization of St. Elizabeths patients over the past couple of years, the present RIF's will result in hundreds of additional patient transfers out of the hospital by mid-1984. If those patients are placed in appropriate care facilities, this will just amount to a transfer of financial responsibility from the Federal Government to the District. And if, as appears quite likely, appropriate facilities can not be found for a large number of the RIF-induced transferees, then either St. Elizabeths will face losing its accreditation, if

the patients remain in the under-staffed hospital, or the patients will have to be released, without regard to their final disposition, thus, judging from past experience, exacerbating the District's already-cronic homeless problem, and creating emotional and physical havoc for the individuals so released.

Third, we are concerned for the well-being of the people being RIFed. As employees of a mental institution, they have provided society with desperately needed services, and to be summarily fired, in the name of fiscal constraint, strikes us as a cold and unthankful societal response. And for the overworked employees who remain, there is the constant and demoralizing fear that they could be next.

Finally, we have included a history, excerpted from our testimony before the House and Senate Subcommittees on D.C. Appropriations on the District's FY 1983 budget, dealing with past Federal attempts to transfer St. Elizabeths to the District. We hope you will take the time to read this document, as it includes a further discussion of our position on the Federal Government's responsibility for St. Elizabeths. (Also included is an excerpt from our FY 1984 budget testimony before the above Subcommittees, dealing with St. Elizabeths.)

To sum up, St. Elizabeths is a Federal facility. We believe that the Federal Government should provide full financial support for the hospital, including re-hiring the RIFed employees, and should stop trying to shift financial/operational responsibility to the District.

GWOGFOSS

GREATER WASHINGTON ORGANIZATIONS FOR GOVERNMENT FUNDING OF SOCIAL SERVICES

6612 Virginia View Court, N.W., Washington, D.C. 20816 229-6454

MEMBERS OF GWOGFOSS:

The Adelante-Advocacy Center

The Adelphi Friends Meeting, Peace and Social Order Committee

The American Federation of Government Employees, Council 211, AFL-CIO

The American Federation of State, County and Municipal Employees, Council 20, AFL-CIO

The Fairfax Unitarian Church, Social Action Committee

The Gray Panthers of Metropolitan Washington

The Greenbelt Peace Committee

The Hotel and Restaurant Employees Union, Local 25, AFL-CIO

The Metropolitan Washington Council, AFL-CIO

The Metropolitan Washington Planning and Housing Association

The Northern Virginia Branch of The Washington Urban League, Inc.

The Prince George's County Gray Panthers

The United Food and Commercial Workers, Local 400, AFL-CIO

The Washington Peace Center

The Washington Teachers Union, A.F.T., AFL-CIO

The Washington Urban League, Inc.

Wider Opportunities for Women

EXCERPTS

CONCERNING ST. ELIZABETHS HOSPITAL

Taken from the Testimony of
GREATER WASHINGTON ORGANIZATIONS
FOR GOVERNMENT FUNDING OF SOCIAL SERVICES

Presented to the
HOUSE AND SENATE SUBCOMMITTEES
ON D.C. APPROPRIATIONS

on
June 23 and 24, 1982

Taken from the GWOGFOSS Testimony on the District's FY 1983 budget.

ST. ELIZABETHS HOSPITAL

The Reagan Administration is planning to reduce the amount it spends on the Federal mental hospital St. Elizabeths and seek an increase in the District payment to the facility. District officials are resisting the move. But the question of who should pay what for St. Elizabeths--which is really only a part of the larger question of who should control St. Elizabeths--is not new. It has been debabated on and off for the past 35 years. Before giving our opinion of the present proposal, we thought it would be instructive to review the history of this issue.[1] We have identified nine previous proposals to transfer St. Elizabeths from Federal to local control:

1. In December 1946, during the Truman Administration, the District Budget Officer, Walter Fowler, urged the Commissioners to acquire St. Elizabeths from the Federal Government. Truman had ordered that military patients no longer be sent there, leaving the District as the source of 80 percent of the patients as well as 80 percent of the operating funds. At the time D.C. gave more money to St. Elizabeths than it did to all the municipal hospitals put together, or to the police department, and yet it had no control over how the money was spent. Fowler's plan was to lump numerous health and welfare functions together at St. Elizabeths to save the City money. The idea was considered inappropriate by the St. Elizabeths Superintendent, Dr. Winfred Overholzer, and by the D.C. Health Council.

2. In April 1953, Oveta Culp Hobby, the first Secretary of Health, Education and Welfare, told a Congressional committee that St. Elizabeths

1/ Except where noted, information taken from contemporary press reports.

should be turned over to the District because it primarily served District residents.

3. In March 1965, Dr. Murray Grant, the Director of the D.C. Health Department, began a campaign to take over St. Elizabeths. His reason was that the trend toward community-based mental health care required local control of the hospital.

4. In 1968, President Johnson proposed "an orderly transition" for St. Elizabeths, from Federal to local control, "but only after a long-term upgrading of both the quality of the Hospital and the competence of the D.C. Department of Public Health."

5. In April 1969, President Nixon announced plans to transfer St. Elizabeths to the District ahead of the existing time-table. The American Psychiatric Association, the D.C. Mental Health Association, and Senator Joseph D. Tydings, Chairman of the Senate District Committee, among others, voiced opposition. In response, the Administration appointed a committee, under the chairmanship of Dr. Howard P. Rome of the Mayo Clinic, to study the situation.

6. In July 1970, the Rome Committee released its report, recommending the creation of an "independent Mental Health Authority for the District of Columbia" which would incorporate "St. Elizabeths Hospital and all other public mental health services and facilities in the District... through a prompt but orderly transition process." The report said that the "Authority will consist of representatives from consumers and providers of mental health services both from the public and private sectors in the District of Columbia."6/

7. In January 1973, it was disclosed that President Nixon planned

6/ "Report of the Advisory Committee to the Secretary of Health, Education and Welfare on the Transfer of St. Elizabeths Hospital From D.H.E.W. to the District of Columbia," July 24, 1970, pp. 10-11

to propose the transfer of St. Elizabeths from the Federal Government to the District. In March it was reported that, due to complications, Nixon would postpone his recommendation.

8. In February 1975, President Ford proposed the transfer of St. Elizabeths to the District in his FY '76 budget. House District Committee staffers prepared a report that opposed transferring the facility until the District displayed a better administrative ability. Dr. Luther Robinson, Superintendent of St. Elizabeths, resigned during the course of the hearings on the proposed transfer; reporters at the time quoted sources who said he resigned because he opposed the transfer. It was revealed at these hearings that while 80 percent of the patients came, as they had since the late 1940's, from D.C., the City reimbursed the Federal Government for only about one-third of the operating costs.

9. In January 1980, President Carter proposed in his FY '81 budget that a public corporation be established to manage St. Elizabeths. The corporation would be jointly accountable to the Secretary of the Department of Health and Human Services and the District Mayor.

The Carter Administration and the City went into negotiations over the form of the corporation, using the U.S. Government Controlled Corporation Act as a guide. This is the act used to create the Tennessee Valley Authority, the Postal Service and other quasi-governmental bodies. Health and Human Services Secretary Patricia R. Harris and Mayor Marion Barry signed a memorandum of agreement in July 1980. The final recommendations were delivered to the Health and Human Services Department in November, a week after the elections. Mrs. Harris took no action on them during the remainder of her term; Richard S. Schweiker, her successor, has not made clear the present administration's position on the agreement.

The plan calls for a public corporation with control over St. Elizabeths and all other mental health and alcohol and drug abuse programs in

the District of Columbia. The Board of Directors would be named by the President, choosing one-third of the members from a list provided by the Secretary of Health and Human Services, one-third from a list prepared by the Mayor and one-third from his own list of candidates. The H.H.S. Secretary, the Director of the National Institute of Mental Health, and the executive director of the corporation would be ex officio members of the Board. The present division of expenses for St. Elizabeths would be retained for the entire corporation, with the Federal Government paying approximately 80 percent of the cost of operation and the District about 20 percent. To maintain this proportion, there would be no "cap" on the District's payment to the corporation as there is now on the one to St. Elizabeths; the amount would increase at the same rate as the rise in the health component of the Washington-Area Consumer Price Index. In recent years, the rate of increase for this component has been about 10 to 15 percent.

The first notice the District Government had that the present Administration intended to lower the Federal payment to St. Elizabeths and seek a roughly commensurate increase in the District's payment came with the release in early February of the proposed Federal budget for Fiscal Year 1983. The Administration had not even given any advance warning to the District, let alone consulted with it. The budget appendix states that "Personnel estimates for (1983) assume enactment of proposed corporation legislation." However, a spokesman for the Office of Management and Budget told us last month that the Administration had taken no official stand on any corporation plan, and as of late May neither the House District Committee nor the Senate counterpart had received any legislation to create a corporation. When and if this legislation is introduced, there is no assurance that it will be the same proposal worked out between the City and the Carter Administration.

Nearly everyone involved with St. Elizabeths that we talked to--management, employees, and District human services officials--sees this proposed shift of the cost burden as the first step in a forced transfer of the hospital from the Federal Government to the District. Over the years, there appear to have been four main reasons given for transferring control of St. Elizabeths to the District of Columbia. The first of these, that the District bears the great majority of the cost and thus has the right to direct how the money is spent, no longer applies: D.C. now provides only about 17 percent of the operating budget. The second reason is only half-valid, in that while both District and Federal officials used to argue that continued Federal administration of St. Elizabehts was inconsistent with the ideal of Home Rule, now D.C. officeholders are no longer outwardly concerned with this supposed anachronism. Particularly appropriate to the current political climate is the third reason given for the transfer: that the Federal Government wants to cut its expenses and workforce. The present Administration may have launched its efforts to divest itself of the hospital for this third reason alone. But President Reagan claims he is as interested in clearly defining the relative health and human services responsibilities of the Federal Government and the states as he is in reducing the total cost of those responsibilities. That is the essence of his "New Federalism" proposal. That would also be the fourth reason: to return to a "state" its rightful responsibility for its citizens. Besides the Federal Government's disinclination to treat the District as a state in any other context, there are two other inconsistencies in this reasoning. The first rests on the fact that St. Elizabeths has been a Federal institution for 127 years and as such is hardly a historically local responsibility only recently shifted to the Federal Government, such as during the Great Society or even the New Deal. 20 percent of the patients are not District residents and some Federal research still goes

on there. A transfer to the District would also run counter to the general trend of "New Federalism," which seeks to take health-care responsibilities away from the states and give them to the Federal Government.

It is in the spirit of this move to sharply define and divide responsibility that we propose that the Federal Government take on the full cost of operating St. Elizabeths Hospital. This action would end the ambiguity. It would firmly establish St. Elizabeths as a Federal institution serving Americans from many areas, with the District of Columbia only incidentally the source of most of the patients.

The District of Columbia lacks the resources to operate a hospital the size of St. Elizabeths, even if it were in perfect shape. But it isn't. Despite its regaining of accreditation, we have been told that many of the improvements are cosmetic and that staffing shortages persist. President Johnson's order that no transfer take place until St. Elizabeths is in good health is still worth following. The District has many other health and human service needs that could be met with the $23 million it would no longer spend on the hopital. The officials and employees of St. Elizabeths--the people actually responsible for the patients' care--would be happy, since all the ones we talked to said they wanted to remain under Federal control. The certainty of that continued control that complete Federal financial responsibility would connote is especially important: employees told us that the rumors and speculation of the last five months about the hospital's fate have severely hurt morale.

There is certainly precedent for the Federal Government's providing special services to the District of Columbia. Once it has been settled that St. Elizabeths belongs to the Federal Government, and that the health care provided D.C. residents is a Federal service to the District, this service can be included in the calculation of a fair Federal Payment.

EXCERPT

CONCERNING ST. ELIZABETHS HOSPITAL

Taken from the Testimony of

GREATER WASHINGTON ORGANIZATIONS
FOR GOVERNMENT FUNDING OF SOCIAL SERVICES

on

THE CONGRESSIONAL APPROPRIATION
to the
DISTRICT OF COLUMBIA
for
FISCAL YEAR 1984

Presented to the
HOUSE AND SENATE SUBCOMMITTEES
ON D.C. APPROPRIATIONS

on

June 7 and 15, 1983

ST. ELIZABETHS HOSPITAL

In last year's testimony, we cited nine instances in the past 35 years in which the transferring of the Federal mental hospital St. Elizabeths to the District of Columbia had been proposed. We have supplied you with this part of last year's testimony. Now there is another study underway—by the Government Accounting Office—to determine how this transfer would be best effected. The biggest issue, of course, in the struggle over who should control St. Elizabeths is who should pay what for its operation. In that regard, the President—in the budget for the District he presented to Congress this year—has removed any limit on the amount the District should contribute to St. Elizabeths in FY 1984. The District had placed a cap of $29.5 million on its contribution for FY '84.

This cap should be restored. Without it, the responsibility to make up all or part of the $39 million budget deficit the Hospital is apparently facing might be shifted to the District, instead of remaining, as it should, with the Federal Government.

St. Elizabeths has been a Federal institution for 128 years. Primary financial responsibility for the hospital should not be shifted to the District of Columbia, which lacks the resources to assume it. We think the Federal Government should take on the full cost of operating St. Elizabeths, and our reasons for this are presented on pages 9 and 10 of the accompanying section from last year's testimony. But in lieu of that, the plan to establish a quasi-governmental corporation to run the hospital—agreed upon in principle by both governments in 1980—should be pursued.

NATIONAL ASSOCIATION OF SOCIAL WORKERS

1003 K STREET, NORTHWEST • WASHINGTON, D.C. 20001 • TELEPHONE (202) 347-9893

December 19, 1983

The Honorable Charles Mathias
Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Mathias:

Attached you will find written testimony regarding the current situation at Saint Elizabeth's Hospital. These comments are being submitted for the Subcommittee on Governmental Efficiency and the District of Columbia.

In addition to the comments, I would like to make a personal statement. I am a resident of Maryland who works in the District of Columbia. Each working day I make a 50-mile round trip drive to and from my office; I am joined by thousands of other making those same trips into and out of the city. My salary makes it possible for me to pay almost $5,000 a year in Federal income taxes and almost $2,000 in Maryland state taxes. The amount I add annually to the District of Columbia's revenues through sales and other miscellaneous taxes is significantly lower than either figure.

As you are aware, whenever the District Government proposes a "commuter tax", voices are immediately raised in opposition. With all the constraints placed upon the District possibly expanding its tax base for the proposed 90% withdrawal of the Federal support for St. Elizabeth's Hospital is both unfair and unwise. I feel a portion of my federal tax dollars being designated for the St. Elizabeth's Hospital budget is a far better use of those monies than other uses, which I need not mention, that do little to maintain services for one of the most vulnerable populations in our society.

Thank you for paying so much attention to this matter.

Sincerely,

Cynthia A. Roberson

Cynthia A. Roberson, ACSW, LCSW
Executive Director

CAR/dh

Comments
for the
Senate Subcommittee on Governmental Efficiency and the District of Columbia
on
St. Elizabeth's Hospital

Submitted by: Metropolitan Washington, D.C. Chapter,
National Association of Social Workers
Prepared by: Cynthia A. Roberson, ACSW

December 19, 1983

For many years the Metropolitan Washington, D.C. Chapter, National Association of Social Workers has been concerned about activities occurring at and regarding St. Elizabeth's Hospital. The events of the past month have served two purposes; the reduction-in-force which were effective December 1, 1983 made real a situation which had been talked about since the past summer; the hearing held by the Subcommittee on Governmental Efficiency and the District of Columbia on December 7th made obvious the lack of any real planning and coordination of activities among the major actors.

If this month's reduction-in-force had been the only personnel action affecting service delivery and St. Elizabeth's staffing pattern, the situation would be grave enough. What has apparently been overlooked is the fact that there has been a hiring - freeze in place at the institution for the past three years. I am aware of the effects this has had on the hiring of social workers, i.e., in most positions social workers were replaced 1 for 2. Thus, before the RIFs took place only one social worker was hired for every 2 social workers lost. Contraction has been occurring for at least three years.

I will speak to the effects the recent RIFs had on social work staff. Of the 132 social workers employed by the institution, 11 were separated, effective December 1st. All were returned December 2nd for temporary appointments of 89 days. In addition, 26 social workers were placed in new assignments. These statistics represent a displacement of almost 30% of the total social work staff. Most managers would cringe at these figures; human service managers would have an even stronger reaction. The consequences of such disruptions are obvious: quality service is almost impossible since productivity is limited; the patients are subjected to ongoing turmoil as the trust which was established with one worker must be built by another. Unfortunately, the officially separated are not the only ones affected by the current situation at St. Elizabeth's. Other personnel are making decisions about staying or leaving; the latest report indicates far-reaching effects, including personnel deciding to take early-out; individuals who were not part of the RIF and ineligible for early-outs are looking for new positions because the strain and work overload have become unmanagable.

Every service at the hospital is affected since cutback in staff means cutback in program activities. NIMH has stated that no special programs, especially those for the deaf, for children and adolescents, and for Hispanic patients are being eliminated. Although that statement is true, going beyond the statement what we know is that these programs have had recent staff cuts in addition to existing staff vacancies. The programs are not being eliminated, but they are being starved.

Clinical training is another area affected by this particular form of cutback management. Throughout its history, St. Elizabeth's Hospital not only provided services to clients but also served as a training/research facility for the country. That situation is still true, but changing rapidly. When hospital personnel are involved in Reduction-in-Force trainees are part of the fall-out. Again, I am dealing with the figures for the professional groups with which I am most familiar: there are 20 graduate level social work students assigned to St. Elizabeth's for field instruction; six of that number are supervised by field instructors (social workers) who have been displaced. Since a major responsibility of those field instructors is to participate in the training and education of students who carry their own caseload, yet another group of patients are certain to be affected by this Reduction-in-Force. The 89 days temporary appointments merely delay the inevitable impact.

There is a disturbing element to the St. Elizabeth's situation, i.e., the lack of a comprehensive, identifiable plan. Cutback management has become a reality for many agencies and groups within the public sector, but even cutback management must have a logical framework. The only perceived reality factor in the current situation is cost-reduction. The importance of quality of care and maintenance of the Hospital's accreditation status have been given lip-service; however, few mental health professionals would accept the events involving St. Elizabeth's programs and personnel for the past several years as indicative of belief in those two basic measures.

What is equally disturbing is the "fiat" that has been given, to the eventual District of Columbia's assumption of responsibility for St. Elizabeth's. We have been

informed that during the early years of the Carter's administration, an agreement had been reached which mandated that until an equitable financial arrangement had been made, no transfer would be considered. Since that time the District of Columbia has also been involved in cutback management whichincluded program reduction and hiring freezes. An ironic note is that this time three years ago I was protesting the District's closing of an adolescent in-patient unit located on the grounds of D.C. General Hospital. The approved plan was that those patients who needed in-patient service were to be sent to St. Elizabeth's and the District would emphasize day-treatment. Now we have learned that St. Elizabeth's Division of Child and Adolescent Services is to lose more than 1/3 of its staff which in turn means the loss of 1 of 3 wards while treating the same number of children and youth. There is one other citation I would like to make regarding services provided by St. Elizabeth's staff.

Currently, St. Elizabeth's has the city's best monitoring/evaluation program for outpatients placed in community residential facilities. Central Out-placement the responsible unit, will lose a substantial percentage of its staff and ability to monitor those facilities.

Although I am tempted to address the feasibility of the planned transfer, there are still many information gaps which would preclude such a discussion. I am, however, very knowledgeable about how rumors of RIFs, RIF notices, rumor of more RIFs and temporary appointments affect human service providers, the service they are able to provide, and the patients whith whom they work. The current situation is unhealthy not because certain people lost their jobs, but because the current administration has offered no palatable reason for such an exercise. It is difficult to respond to a proposed plan when no programmatic plan has been presented by the agency responsible for the institution's current and future activities.

In these comments, specific references have been made to the effects the reduction-in-force had on one group of professionals, i.e., social workers, and selected programs. Without doubt, colleagues from other groups would have similar observations. When the data is compiled, it should become obvious that the threat to St. Elizabeth's Hospital could have far-reaching consequences.